

Summary of Press Conference Comments Made by Kazuhiro Ikebe, FEPC Chairman,  
on June 18, 2021

I am Kazuhiro Ikebe, Chairman of the Federation of Electric Power Companies (FEPC).

Today's topics of discussion are "electricity demand and supply for this year's summer and next year's winter", "industry-wide initiatives given the physical protection incidents at TEPCO HD", and "promotion of the nuclear fuel cycle".

<Electricity demand and supply for this year's summer and next year's winter>

First, I would like to address the electricity demand and supply for this summer and next year's winter. In March 2021, general transmission and distribution operators submitted forecasts for the supply and demand of electricity for this summer and next year's winter to the Organization for Cross-regional Coordination of Transmission Operators (hereinafter OCCTO). In the summer, maximum demand assuming extreme heats that may only occur once every ten years, will bring the capacity margin to 3.7% in multiple areas in July, the lowest it has been since the summer of 2017. However, this will still exceed the 3% said to be minimum necessary for stable supply. We, generation and retail, and the networks of the Transmission & Distribution Grid Council (TDGC) will each fulfill our roles, and work toward stable supply to ensure that unplanned outages and various issues do not cause the public undue concern. We ask the public for their cooperation in using electricity efficiently to the extent possible, without straining your comfort and health.

Meanwhile, in the winter of next year, capacity margins are expected to fall to 3% in many areas according to forecasts for January to February 2022. Especially in the Tokyo area, even if OCCTO and related parties adjust power plants maintenance schedules and

additional supply capacity, there is still currently a 500MW shortage of supply capacity to meet the 3% capacity margin, making it the most serious electricity shortage since the winter of 2012. The TEPCO Power Grid which distributes power to the area will be publicly soliciting balancing capacity from out-of-service power sources, private power generators that are not included in the count, and demand-response power sources. The FEPC will also be keeping a close eye on discussions that will be had on cost burdens and securing transparency in the procurement prices, and will steadily secure supply capacity, while ensuring various issues do not occur, to contribute to stable supply.

In FY2022 and beyond, there will be discussions on mechanisms to ensure necessary supply capacity and balancing capacity can be secured, mechanisms to ensure long-term investments into new power sources can be recouped, and retail operators' responsibility in securing supply capacity. We will be engaging proactively in these discussions, while in the meantime, fulfilling our responsibilities as generation, retail and network operators.

<Industry-wide initiatives given the physical protection incidents at TEPCO HD>

Next, I would like to discuss industry-wide initiatives given the physical protection incidents at TEPCO Holdings.

TEPCO Holdings released an update on the progress made with its initiatives on June 10. They are implementing the measures that they can at this time, updating protective facilities and tightening operating rules. Investigations and causal analysis in addition to the findings issued by the independent verification committee established by TEPCO should lead to the further strengthening of measures.

The electricity industry takes these incidents very seriously and will be implementing the following measures. One finding from these incidents is that utilities had not been sufficiently incorporating learnings from outside sources in improving physical protection work. Physical protection has been an area where each utility has felt that they could not disclose relevant information nor consult with to other utilities because

of security concerns--each utility had been pursuing measures in their own closed world. To improve the quality of physical protection work overall, utilities have signed confidentiality agreements with one another and are improving their work based on lessons learned from other utilities while strictly and securely implementing information control.

Utilities are also conducting peer reviews on physical protection work. They are comparing and checking physical protection rules and operations of other utilities with a critical eye to identify and improve internalized issues that could be improved, and rolling out good practices to other utilities to raise the overall level of physical protection measures. Already, Tsuruga Power Station of the Japan Atomic Power Company and Kashiwazaki-Kariwa Nuclear Power Station of TEPCO Holdings have conducted a peer review where, after checking each other's rules, they review how the other operator's rules are being put into practice in the field. We will continue to expand this practice of peer reviews to other stations.

We have also reviewed the specific details of utilities' nuclear security culture fostering activities and improvement measures for physical protection-related issues. The review has found that there were differences in the ranks and positions of personnel participating in physical protection meetings and the frequency of the physical protection meetings. Each company is discussing measures to address these issues.

Cyber security in nuclear facilities is another area that is also being enforced based on lessons learned from other utilities. Each utility is strengthening safety measures, based on the autonomous guideline issued by ATENA in March 2020, to be completed by March 2022. Currently, utilities are reviewing the specifics of and progress in operators' measures and ATENA is compiling best practices so that they can be rolled out across the industry to boost cyber security at each company. In addition, to prepare for similar station work inspections outside the physical protection area that are being planned, each utility is concurrently, continually improving their safety culture

fostering activities with the support of JANSI. JANSI has already assessed the effectiveness of the utilities' self-assessment process for safety culture fostering activities and has provided appropriate feedback based on this assessment. JANSI has been providing utilities with recommendations on improving the effectiveness of the self-assessment process for safety culture fostering activities, and each utility is now studying the results of the assessment.

Each utility takes the series of incidents very seriously and has been working diligently and actively on addressing these issues. The FEPC will continue to support the utilities to prevent the recurrence of these kinds of incidents.

<Promotion of the nuclear fuel cycle>

Next, I will address the promotion of the nuclear fuel cycle. On May 25, a Spent Fuel Measures Promotion Council meeting was held at the Ministry of Economy Trade and Industry. At this meeting, nuclear operators explained initiatives being implemented for the early establishment of the nuclear fuel cycle overall. We have also revised and submitted the "Plan for Promotion of Spent Fuel Measures," which included a partial revision of the timing of the plan to expand the spent fuel storage capacity, reflecting the most recent efforts of each utility.

In the meeting, the Minister of the Ministry of Economy Trade and Industry addressed the following topics: the electricity industry supporting JNFL as an industry, steadily promoting spent fuel measures, cooperating with efforts to accelerate the realization of a pluthermal plan and the development of fuel reprocessing technology for spent MOX fuel, increasing and enhancing dialogue about final disposal with regions and measures to facilitate decommissioning, and regional development measures. We received guidance and requests on each of these topics. The Minister also mentioned that the Ministry will consider providing additional support to municipalities that will promote pluthermal, for which are very grateful.

We as nuclear operators need to further strengthen cooperation among operators to comprehensively promote the steady implementation of the nuclear fuel cycle business, spent fuel measures, appropriate management and use of plutonium, and efforts for final disposal. The understanding of the people of the regions is a prerequisite for these efforts, and we will continue to engage in careful dialogue to gain their understanding.

This concludes my remarks today.

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